0 1 31	1994	1995	1996
December 31	1331	.,,,	

Unaudited

Assets	Dollars in millions
	grafing da aktivitati problem ka minimi manan maka negarah menimpi perbana da pada baran da pada baran da pada
Ar I I si anche Thanking be enciet in	
To the first think and the second	and a control of the
The first the second of the se	a analyti anna a sana a sana a sana ang ang ana ana ang bana ang kalamatan ang kalamatan ang kalamatan ang kal Ang ang ang ang ang ang ang ang ang ang a

Liabilities and Shareowners' Equity

		odeli ari iradii takil	Line in the second of the second	
			\$ 1915	5 2200
		ragia, e in a cit		
Long-Term Debt	A CONTRACTOR OF THE CONTRACTOR		\$10,745	510,469 1510,560

Williams Committee to the second of the seco

Deferred Credits and Other Noncurrent Liabilities

College in the construction of the constructio	
Polarisky prient behalf obligation	
Unabland investment tax cache	
Calla scoraviera Hebitale	
Comporation-obligated mandatorily redeemable preferred securities of subsidiary trusts*	\$ 10 TEST   10 T

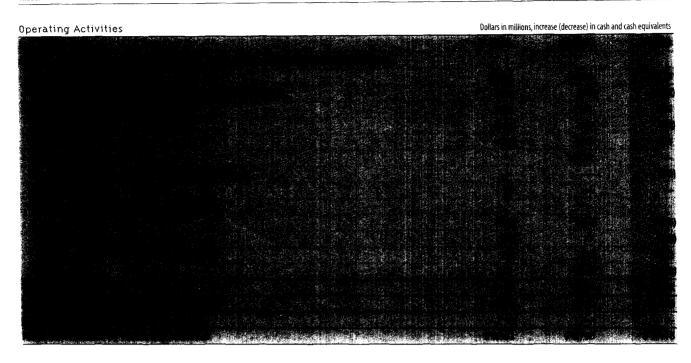
Shareowners' Equity

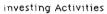
Columbia shares (\$1 par value)			\$ 931	9 994 3 1994
Capital in excess of par value				
Parish (de de la		生。逐渐通过10年		
	reditioplins		<b>CID</b> )	
Telephot Companion - ESSF mail				
			<b>COD</b>	
tell sureceles com			GAPT	
			Switt	

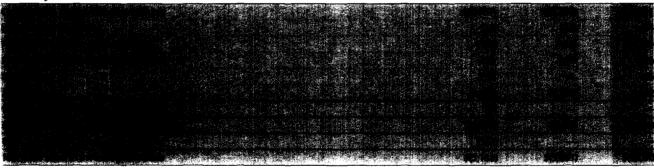
<sup>\*</sup>The trusts contain assets of \$1,030 in principal amount of the Subordinated Debentures of Pacific Telesis Group.

A

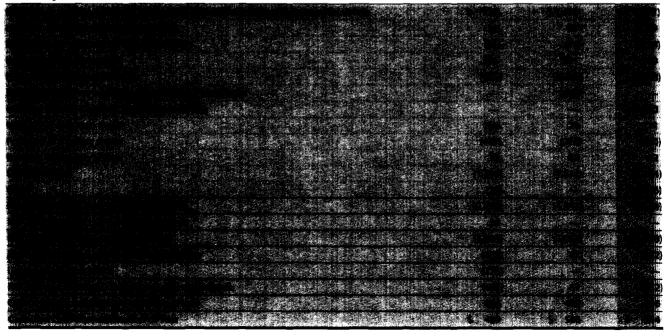
		1005	1007
linaudited	1994	1995	1996







Financing Activities



SBC Communications Inc.	— Consolidated	Statements	οf	Income
-------------------------	----------------	------------	----	--------

						1996		
Three Months Ended		199	2			1770		
THE PROPERTY ENGES			0.13.6.10.5	13 (31/05	2/21/06	6/30/96	9/30/96	12/31/96
Unaudited	3/31/95	6/30/95	9/30/95	12/31/95	3/31/96	0/30/90	7/30/70	12/31/90
Siluddica								

928 434 563 373 437	945 443 522 572 884	97 13 13 14 14	9) 40 50 41		
494 593	849 522	t pro e alle la la residencia est est est			
494	443	t pro e alle la la residencia est est est			
all had a series of the	consistent access	97 49	91 #3		
<b>920</b>	945	<b>96</b> 7"	<b>791</b>		
				and the second second	
경우리 회사를 지내다		W. #4			. 100
<b>154</b>	<b>.563</b>	<b>u</b> r	412		
\$2017	52,P#B	\$2,647	50,100		
	· excelettages a version				pel (s)
	\$2017 854	\$2017 \$2846 \$54 \$86	\$2017 \$2046 \$2089 \$54 588 687	\$2,017 \$2,048 \$2,667 \$2,160 \$54 586 697 842	Dollars in Millions except per s \$2,017 \$2,048 \$2,057 \$0,165 \$554 \$83 9,007 \$642

## Operating Expenses

Cost of services and products	\$1,907	\$1,840	\$1,912	12.19				
Selling general and administrative	1,025	1300	1,000	140		n T	11.00	
	<b>LÚD</b>	A CONTRACT	<b>i ja</b> ja			4.5	iii. ii *	
Personal Company of Company (Company)		1,085	196	Child in				
Teal coesaling expenses	3760	196			(4.3)		iku.	
Comment of Comments	1,239	1,300	188					
Other tricome (Expense)							di in	
Intelest expense	(251)	(242)	(240)	(2)6	) (	<b>m</b> - 0	1966	
Equity in net income of affiliates	<b>4</b> 5.	36	47			<b>6</b>		
Other Income (Expense) - net	<b></b>	16	24	16.00	•	<b>8</b> . p		
								f an
and the state of t	1,025	1,112	1,255	1/0	<b>9</b> (1)			
Incapie bode		90	<b>60</b> 0	1.4				
		712	85.	79	•		Wind.	
				1.1				
	Marie Confidence	ille at a la			3000	All Maries	编线系	
		April 1965			ant in a		e i alektrisi	
rease Barres Completes State of Assessed in C	niges 0.76	\$ 0.76	5 686	\$ 00				
			(ES)			1967		<b>(</b> , 62,
	5 0.76	5 0.78	5 15,641	T. Ca		122.00		Mar a

 $<sup>^{\</sup>star}\textsc{Earnings}$  Before Interest, Taxes, Depreciation and Amortization

SBC C	communications	Inc.—Consolidated	Statements	of	income
-------	----------------	-------------------	------------	----	--------

		Three Months Ended	
Inaudited	3/31/97	3/31/96	% Change
Operating Revenues		Dollars in millions excep	t per share amounts
Local service:	ee en ee earlie de la		167
Landline	52279	\$2,100	85%
Wireless		612	16.0%
Network access:			
Interstate	103	991	4.79
Intrastate	456	450	1.39
Long-distance service		542	-0.2%
Directory advertising	470	411	14.49
Other	497	468	6.29
Total operating revenues	\$5,991	\$5,574	7.59
Uperating Expenses			
Cost of services and products	\$1,055	\$1,932	6.49
Selling, general and administrative		()179	9.39
		2469	7.59
Depreciation and amortization	1768	1,011	5.69
Total operating expenses		4,116	7,01
Operating Income		1,458	8,89
Other Income (Expense)			
Interest expense	(200)	(212)	-1.99
Equity in net income of affiliates		45	-40.0
Other income (expense) – net		. 2	, ni
Income Before Income Taxes and Cumulative Effect of Accounting Ch	ange 1,385	1,293	7.11
Income taxes		495	6.7
Income Balore Cumulative Effect of Accounting Change		798	7,4
Cumulative Effect of Accounting Change, net of tax			
Nacureanne	<b>•</b> #7	<b>\$ 43</b>	
Earnings Per Common Share:			
Income Before Cumulative Effect of Accounting Change	3 0.94	\$ 0.86	93
Cumulative Effect of Accounting Change, net of tax		0,10	i di Li
Net Income	\$ 0.94	\$ 0,96	-21

Earnings Before Interest, Taxes, Depreciation and Amortization

B: Communications Inc Consolidated Balance Sheets	3/31/97	12/31/96
maudited		
Se1s	Dollars in millions except	per share amounts
Current Assets		,
Cash and cash equivalents	\$ 846	\$ 314
Short-term cash investments	307	432
Accounts receivable – net of allowances for uncollectibles of \$316 and \$311	4,534	4,684
Prepaid expenses	438	287
Deferred charges	129	102
Other current assets	367	452
Total current assets	6,621	6,271
Property, Plant and Equipment – at cost	62,707	61,786
Less: Accumulated depreciation and amortization	36,317	35,706
Property, Plant and Equipment – Net	26,390	26,080
Intangible Assets – Net of Accumulated Amortization of \$639 and \$611	3,586	3,589
Investments in Equity Affiliates	1,818	1,964
Other Assets	1,605	1,581
Total Assets	\$40,020	\$39,485
rabilities and shareowners' Equit		
Current Liabilities		, ,
Debt maturing within one year	\$ 3,169	\$ 2,335
Accounts payable and accrued liabilities	5, <b>664</b>	6,584
Dividends payable	408	393
Total current liabilities	9,241	9,312
Long-Term Debt	11,170	10,930
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	1,076	853
Postemployment benefit obligation	5,175	5,070
Unamortized investment tax credits	479	498
Other noncurrent liabilities	1,725	2,181
Total deferred credits and other noncurrent liabilities	8,455	8,602
Corporation-obligated mandatorily redeemable preferred securities of subsidiary trusts*	1,000	1,000
Shareowners' Equity		
Common shares issued (\$1 par value)	934	934
Capital in excess of par value	9,414	9,422
Retained earnings	1,746	1,297
Guaranteed obligations of employee stock ownership plans	(216)	(229
Deferred Compensation-LESOP	(146)	(161
Foreign currency translation adjustment	(538)	(637
Treasury shares (at cost)	(1,040)	(985
Total shareowners' equity	10,154	9,641

The Trusts contain assets of \$1,030 in principal amount of the subordinated debentures of Pacific Televis Group.

## 5BC Communications Inc.—Consolidated Statements of Cash Flow

Dollars in millions, increase (decrease) in cash equivalents	Three Months Ende	ed
Unaudited	3/31/97	3/31/96
National Provided by Operating Memilities	* Marie	** <b>****</b>

### nvesting Activities

Net Can Used in Investing Activitie		(6/1)

## Imancing Activities

Management of the second of th	
Company of the Compan	

Southwestern Bell Telephone Company-Consolidated Statements of h	Income	9
--	--------	---

Operating Revenues	Dollars in millions
Control of the Contro	
	m 2005 J. 2016

Net Income (Loss)	\$1,072	\$(1,699)	\$136
extraordinary Loss from Discontinuance of Regulatory Accounting, net of tax	<del></del>	(2,819)	1,375
ncome Selore Extraordinary Loss	1,072	1,120	120
OCOME SEASE	514	568	. 79
ncome Before Income Taxes and Extraordinary Loss	1,586	1,688	236
Other income (expersse) – net	(3)	(7)	44.6
nterest expense	(358)	(340)	102
La lika (Gpano)			
	1947	2,035	100
one politically expenses	6501	6,903	724
Septificiation and amortization	1,692	1,854	1, 179
	3,640	3,789	120
elling deneral and administrative	1,526	1,730	1,630
ost of services and products	3,282	3,419	3610

Ternings Before Interest, Taxes, Depreciation and Amortization

Unaudited

Total operating revenues

1996

1995

8,988

1994

8,448

Jecember 31	1994	1995	1996
A. sets		Dollars in millions except	t per share amounts
Current Assets			3.3%
Cash and cash equivalents	\$ 46	\$ 43	\$ 69
Accounts receivable - net of allowances for uncollectibles of \$15,\$15 and \$23	1,378	1,509	1,674
Materials and supplies	142	131	116
Deferred charges	48	32	35
Deferred income taxes	185	143	96
Prepaid expenses and other current assets	87	81	189
Total current assets	1.886	1,939	2,179
Property, Plant and Equipment - Net	15,736	11,127	11,759
Other Assets	167	76	30
Total Assets	\$17,789	\$13,142	\$13,968
Current Liabilities  Debt maturing within one year  Accounts payable and accrued liabilities  Total current liabilities	\$ 660 2,440	\$ 750 2,290	\$ 921 2,517
Total current liabilities Long-Term Debt	3,100 \$ 4,268	3,040 \$ 4,217	3,438 \$ 4,265
Leterred product and Other Noncoment Laborities			
Deferred income taxes	1,729	174	209
Postemployment benefit obligation	2,632	2,657	2,646
Unamortized investment tax credits	369	286	255
Other noncurrent liabilities	277	100	269
Total deferred credits and other noncurrent liabilities	5,007	3,217	3,379
nareowners' Equity			
Common stock (one share, no par value)	1	1	1
Paid in surplus	5,390	4,838	3,687
Retained earnings (deficit)	23	(2,171)	(80:
Total shareowners' equity	5,414	2,668	2,886
Total Liabilities and Shareowners' Equity	\$17,789	\$13,142	\$13,968

Cash and cash equivalents beginning of year

Cash and Cash Equivalents End of Year

	1994	1995	1996
	Dollars in millions i	ncrease (decrease) in cash an	d cach aquivalants
Heratung Activities	\$1,072	\$(1,699)	\$1.369
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	31307Z	3(1,037)	21,309
Depreciation and amortization	1,692	1.754	1, <b>79</b> 5
Provision for uncollectible accounts	271	76	102
Amortization of investment tax credits	(61)	(42)	(31)
Pensions and other postemployment expenses	176	106	194
Deferred income tax expense	(112)	125	95
Extraordinary loss, net of tax	11129	2,819	
Changes in operating assets and liabilities:	······································	2,017	
Accounts receivable	(80)	(195)	(267)
Other current assets	(75)	(195)	(96)
Accounts payable and accrued liabilities	285	(163)	228
Other - net	(192)	(103)	(123
Total adjustments	1,794	4,464	1,897
Net Cash Provided by Operating Activities	2,776	2,765	3,266
ter case in ronded by Operating Activities	2,770	2,703	3,200
le√ ag Aclavit es			
Construction and capital expenditures	(1,656)	(1,734)	(2,305
Net Cash Used in Investing Activities	(1,656)	(1,734)	(2,305
	,,, <u>-</u> -,		
iano ng sa ivitiés			
Net change in short-term borrowings with original maturities of three months or less	173	6	176
Issuance of other short-term borrowings	36	91	209
Repayment of other short-term borrowings	(41)	(91)	(134
Issuance of long-term debt	1	596	166
Repayment of long-term debt	(288)	(117)	(201
Early extinguishment of debt and related call premiums		(465)	
Dividends paid	(1,065)	(1,139)	(1,350
Net equity received from parent	72	85	199
		/4 65.4	
Net Cash Used in Financing Activities	(1,112)	(1,034)	(935

38

46

46

\$ 43 43

69

\$

Southwestern	8011	Talenhane	Company	Statements	οf	Income
Southwestern	Den	i i e i e bii o ii e	Combany	3(0(5)) 5(1)	01	THE OTHER

W. F								
Three Months Ended	1995			1996				
Unaudited	3/31/95	6/30/95	9/30/95	12/31/95	3/31/96	6/30/96	9/30/96	12/31/96

Operating Revenues				Karana and			Doll	ars in Milians
And the second of the second of the second			Spirit Hale	www.				
		TW <b>513</b>	TENNET.					
	700		" <b>386</b> "	120	14 <b>16</b> 1			<b>100</b> 2
		<b>100</b>	100	206	217			
	i i i	10	100	198	203	20	96	100
Total operating revenues	2.163	2.726	2.262	2.286	2345	2410	2.456	2322

### uperating Expenses

Control to the control of the contro	800	, par		257	954	<b>977</b>	197	1
Selling general and administrative	388	316	40	90	70	474	rd.	
	43		90	11 MB	1,001	109	108	
Depressibilities and governization	489	44	44	40.	440	AUS.	.452	
Total calculate expenses	1,624	1,661	1712	1,895	1,704	1,76	. ii 1,617	
German Rome	500	35	556	<b>d</b> ir	. <b>(6)</b>		680	
Other (schare Expense)								(14)
lo <b>penias er sco</b> ve	(80)	(86)	(es)	<b>(60</b> ) -	(da)	(80)	(78)	
Other (scotte (extrese) - net			4	(16)			2	
Included Bellione Tricome Taxas	455	462	469	<b>Jül</b>	559	555	502	
Incorpetaces	195	155	164	94	200	207	208	
Income Busines Commissive Office on Assuming On	reje 300	307	305	200	559	555	562	
Cumulative Effect of Accounting Change, net of tax	rrenge H	in territoria	(2,819)		200	207	208	376
Net Ircome	5 300	\$ 307	\$(2,514)	5 208	\$ 351	5 348	\$ 354	5 814

ainings Before Interest Taxes, Depreciation and Amortization

uperating Revenues	Dollars in millions
Clinet Total operating revenues	

## Jperating Expenses

Charles and the control		
		<b>在1881</b> 1110000000000000000000000000000000
Opening mone	A CONTRACTOR OF THE PROPERTY O	2007

## Jther income (Expense)

Indian Research			438 m	
Other tegrome: (expense) – net	a Kalabal da 18 L. St. July Sala		4	
Income Seture Income Taxes, Extreordible y Loss of	nd Cumulative Effect of Acc	pulnting Chaisse	. ige	
Intome Takes Intoma Taking Estimordinary Loss and Cumulative			(GIR)	
Cumplather Miscs of Accounting Change, net of tax			territoria de la companya de la comp	
Extraordinary Loss from Discontinuance of Regula				
Net Income (Coss)			\$ 1,071	N (ASSA)

<sup>.</sup> Farmings Before Interest Taxes, Depreciation and Amortization  $\,$ 

Pacific Bell-Balance Sheet			
Unaudited) December 31	1994	1995	1996
A 5612			
Current Assets			
Cash and cash equivalents	\$ 63	\$ 68	\$ 58
Accounts receivable – net of allowances for uncollectibles of \$132,\$131, and \$161	1,622	1,581	2,133
Prepaid expenses	18	26	37
Deferred charges	328	317	45
Deferred income taxes	380	221	119
Other current assets	80	69	37
Total current assets	2,491	2,282	2,429
Property, Plant and Equipment – Net	15,864	11,080	11,673
Other Assets	1,015	215	547
Total Assets	\$ 19,370	\$ 13,577	\$ 14,649
Current Liabilities  Debt maturing within one year  Accounts payable and accrued liabilities	\$ 255 2,946	\$ 781 2,660	\$ 287 2,546
Accounts payable and accrued liabilities  Total current liabilities			
Long-Term Debt	3,201 4,752	3,441 4.608	2,833 5,364
Deferred Gradits and Other Noncoment Lab littles			PRINCE OF THE PR
Deferred income taxes	2,315	-	476
Postemployment benefit obligation	689	716	671
Unamortized investment tax credits	464	283	236
Other noncurrent liabilities	1,725	1,418	1,142
Total deferred credits and other noncurrent liabilities	5,193	2,417	2,525
Carcowners, courty			
Common stock	225	225	225
Paid-in surplus	5,169	5,387	6,100
Retained earnings (deficit)	830	(2,501)	(2,398
Total shareowners' equity	6,224	3,111	3,927
	A		

\$ 19,370

\$ 13,577

\$ 14,649

Total Liabilities and Shareowners' Equity

Pacific	Bell	and 9	iubsid	iaries	1100	Stateme	ents	01	Inco	me	

Three Months Ended	1995			1996				
Inaudited	3/31/95	6/30/95	9/30/95	12/31/95	3/31/96	6/30/96	9/30/96	12/31/96
Juerating Revenues							D	oliars in Millions
Local service	\$ 931	\$ 928	\$ 945	\$ 937	\$ 960	\$ 996	\$1,006	\$ 994
Network access:								
Interstate	431	413	414	424	444	447	448	467
Intrastate	166	177	179	185	178	184	176	180
Long-distance service	314	290	306	300	312	317	324	321
Directory advertising	252	249	254	257	302	274	204	271
Other	118	130	131	131	131	147	156	207
Total operating revenues	2,212	2,187	2,229	2,234	2,327	2,365	2,314	2,440
Operating Expenses								
Cost of services and products	910	842	812	923	879	832	887	944
Selling, general and administrative	372	391	448	410	388	450	439	497
EBITDA*	930	954	969	901	1,060	1,083	988	999
Depreciation and amortization	460	460	462	449	455	453	459	459
Total operating expenses	1,742	1,693	1,722	1,782	1,722	1,735	1,785	1,900
Operating Income	470	494	507	452	605	630	529	540
Other Income (Expense)								
Interest expense	(108)	(109)	(110)	(83)	(88)	(94)	(95)	(86
Other income (expense) – net	20	8	16	(21)	3	(3)	4	_
Income Before Income Taxes and Cumulative								
Effect of Accounting Change	382	393	414	348	520	533	438	454
Income taxes	136	150	156	126	212	219	176	16
Income Before Cumulative Effect of Accounting	g Change 246	243	258	222	308	314	262	280
Cumulative Effect of Accounting Change, net of	tax —		(3,360)		85			
Net Income	\$ 246	\$ 243	\$ (3,102)	\$ 222	\$ 393	\$ 314	\$ 262	\$ 28

Earnings Before Interest, Taxes, Depreciation and Amortization.

# appendix

SBC Wireless Portfolio

Quarterly Operating & Financia: Information

Wireless MSAs/RSAs

08

109

1110

М

P A G 斯 十四型

Hu. s W reless Portfolio		1992	1993	1994	1995	1996
could information		1332	1773			
otal Coraestic Custageers	rent wisder in the c	1,413,000	2,049,000	2,992,000	3,672,000	4,493,000
Incumbers: Cellular Customers		1413,000	2,049,000	2,992,000	3,658,982	<b>4,398,4</b> 23
GREAVITE S		(8.11 <b>.11.23.11.33.1</b>			13.018	34,577
otal International Equity Based Customers	Ownership	12,384	18,758	56,771	123,434	317,085
Mexico	9.6%	12.3 <b>84</b>	18,758	29,376	38,304	<b>63,04</b> 5
Chile	49.3%			7,395	14,790	86,324
France	10.096	inglement of the later of the state of the s		20,000	44,300	92,790
South Korea	7.8%			<del>-</del>	-	22,628
South Africa MTN	15.5%		The laboratory		26,040	52,297
Total SBC Wireless Customers		1,425,384	2,067,758	3,048,771	3,795,434	4,750,088
		120000	195,400	E21 000	1,040,000	2.387.223
Total International Customers Mexico		129,000 129,000	195,400	521,000 306,000	399,000	<b>4,367</b> ,223 <b>656</b> ,723
Chile		1296000	193,400	15,000	30,000	175,100
anijagga pikamanka katini pinapamaka mina			ana kana ana ana ana ana ana ana ana ana			927,900
France South Korea				200,000	443,000	290,100
South Africa MTN				· •	168,000	290,100 337,400
					100,000	337,300
Total International POPs		88.600,000	90,400,000	158,200,000	202,200,000	255,900,000
Mexico		88,600,000	90,400,000	92,200,000	94,000,000	95,800,000
Chile				8,100,000	8,100,000	14,200,000
France	بىدىنىدىن قىرىكىدىن بىلىدىن. ئىرلىكى يىلىدىن ئ			57,900,000	58,100,000	58,300,000
South Korea						45,500,000
South Africa MTN	- isanii.		1 1 4 1 1		42,000,000	42,000,000
Total International Penetration		0.1%	0.2%	0.3%	0.5%	0.9%
Mexico		0.1%	0.2%	0.3%	0.4%	0.7%
Chille			***************************************	0.2%	0.4%	1.2%
France		de de la companya de		0.3%	0.8%	1.6%
South Korea						0.6%
South Africa MTN					0.4%	0.8%

Other Wireless Customers refers to customers gained through marketing alliance with GTE in Houston and Austin markets

Note in 1997 SBC merged its SFR interest into Cegetel with SBC obtaining 15% interest in the new company.

Other Wireless Customers refers to customers gained through marketing alliance with GTE in Houston and Austin markets,

POPs covered

March 1997

	Percent Owned		1990 POPs	Coverage Area (sq. mile
uthwestern Beil Mobile Syst	tems (TDMA):			
	3000%		slaces.	
	I COM LOCAN		21 (489 21 (200)	
	710%	and the contract of the second	NO COM	
Manu TX	71,9%		197,547	
wnsylle TX	775%		250120	
Contract TX	1000%	dittari	71189	
September 1X	<b>32.5%</b> 81.0%		3849075 1,447,336	
NEW CHYMOKS				
marie KS	81.0%	destruit in a proposition of the state of the	81.790	
			22000	
	77.3%			
ded 2x		Shirth and the company of the con-		
Mile IX Michigan, CX	73.4% 62.066			
	100.0%		i decise	
n Amonio, TX	70.0%		1,302,099	
eman/Denison, TX	82.5%		95,021	
Josephi MO	51,0%		97,715	
Louis MO	200	Harani da indika madali da	<b>44.8</b>	
	77.6	in a second in the second in t	192,129 458,282	
TAL SERVES			15,007,729	
Mark in the state of the state				
ellular Une (TDMA):	100.0%	en e	829,565	
dienora, MD	90.0%	ويجها والمتعدد والأفرار والترجيعة والمراجي والمتابع والمواجع والمحاري والمراجعة	2348,219	
製造製造 200 (1916年) 1916年 (1916年) 1917年 - 1917年			The state of the s	
comington, IL	98,0%		129,180	
esan MA	100,0%		4,029,862	
	100.0% 75.0%		4,029,662 1,180,288	
sen, MA gas Ni Hateatas V.	100,0% 75,0% 98,3%		4,029,662 1,189,288 1,73,025	
esen, MA disio NY sampatja, N, sampatja, N,	100.0% 75.0%		4,029,662 1,189,288 173,025 7,261,176	
SSON, MA Africh NY sampatja, N. Nago II. Samp I.	100.0% 75.0% 98.3% 100.0%		4,029,662 1,189,288 1,73,025	
esen; MA gaes N1 Leducators 1 Leaguigt scaturs 1 Leaguigt scaturs 1 Leaguigt scaturs 1 Leaguigt 1 L	100,0% 75,0% 98,3% 100,0% 99,0%		4,029,662 1,189,288 173,025 7,261,176 117,206	
eson, MA geos NY sedupatos N keson ji sedupatos N sedu	100.0% 75.0% 98.3% 100.0% 99.0% 66.7% 100.0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 118,539 1,002,410	
SKON MA dielo NY Nampalja, IL Nampalja, IL Salus L SULIT SI	100.0% 75.0% 98.3% 100.0% 99.0% 66.7% 100.0% 100.0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 116,539 1,902,410 189,550	
SKON MA  disio NY  sampaton IL  satur IL  satur IL  styles IN  chaster IP  prayles IL  gratus E IL  gratus E IL	100,0% 75,0% 98,3% 100,0% 99,0% 66,7% 100,0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 118,539 1,002,410 189,550 659,864	
Ston MA disio NY sarrusiya L satu L s	100.0% 75.0% 98.3% 100.0% 99.0% 66.7% 100.0% 100.0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 116,539 1,902,410 189,550	
Ston, MA Stole NY Statusius, IL Nicept IL ecutur, IL ery, IN erse Falls AV principles & IL yracuse, NY tics, NY fashington, D.C.	100,0% 75,0% 98,3% 100,0% 99,0% 66,7% 100,0% 100,0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 116,539 1,902,410 189,550 659,864 316,633	
Skon MA  Jejo NY  Rampalga, IL  Scotta, L  Strage Falls Alv  Scottasts, NY  Scientific NA	100,0% 75,0% 98,3% 100,0% 99,0% 56,7% 100,0% 100,0% 100,0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 116,539 1,602,410 189,550 659,864 316,633 3,660,758	
SKON, MA  digio, NY  startusitys, it.  scaturit  scaturi	100,0% 75,0% 98,3% 100,0% 99,0% 56,7% 100,0% 100,0% 100,0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 118,539 1,602,410 189,550 659,864 316,633 3,660,758	
corranger, IL cotols NA disio NY harrusigs, IL bicost; IL scatur,	100,0% 75,0% 98,3% 100,0% 99,0% 56,7% 100,0% 100,0% 100,0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 118,539 1,602,410 189,550 659,864 316,633 3,660,758	Coverage Area (sq. m
SKON, MA  disio, NY  sampaigs, IL  sampaigs,	100.0% 75.0% 98.3% 100.0% 99.0% 66.7% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0%		4,029,662 1,189,288 173,025 7,261,176 117,206 604,526 116,539 1,002,410 189,550 659,864 316,633 3,660,758 709,705	

<sup>&#</sup>x27;Effective POPs as of 12/31/95.

Hincluded in Dallas/Ft. Worth coverage.

 $<sup>{\</sup>tt ffIncluded\ in\ Washington\ D.C.\ coverage.}$ 

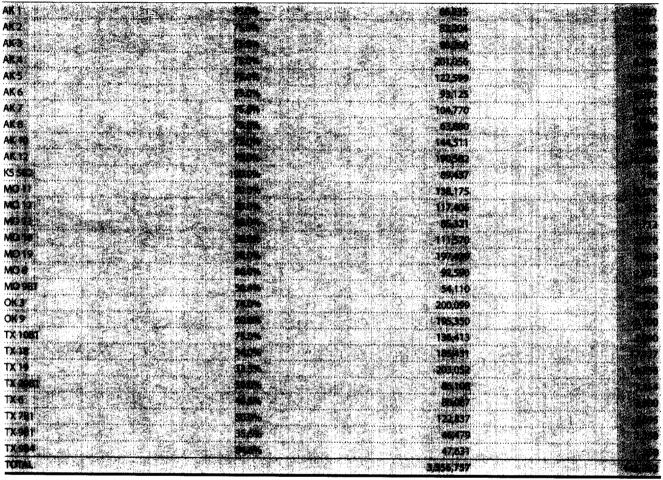
<sup>: \*\*</sup>included in Chicago coverage

December 1996

**Bural Service Areas** 

Market	Percent Owned	1990 POPS	Coverage Area (sq. miles)

### Southwestern Bell Mobile Systems (TDMA)



## eliular One (TDMA)

	50 C 1 C 1 C 1 C 1 C 1 C 1 C 1 C 1 C 1 C
	<b>2000</b>
	是一种表示的形式,这种是一种,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们也没有一个人, 第一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就
	29213
NA CONTRACTOR OF THE CONTRACTO	
VAID.	1900 1900
VAI	
	219(52)
	10.53
	마상에 시간하면 가지 않는 아이 나는 회사에 되는 회사에게 되었다.

glossary

Ν

ADSU: A developing technology that will allow wireline service providers to offer high-speed digital service over existing copper facilities.

Access Charges: Fees paid by long distance carriers to local telephone companies for use of local facilities to originate or terminate calls.

Access time. Local loop telephone lines providing telephone service to individual residences and businesses.

Access Min ares of Use: The units of time used as the basis for determining the billing for the interconnection between the long-distance network and the local loops in interstate and intrastate long-distance calls.

Access Referent The process by which access charges will be restructured to better reflect the cost of providing entry to local network facilities. This process will involve removing implicit subsidies and restructuring cost recovery mechanisms.

Additional Line Revenue: Revenue derived primarily from additional residential access lines.

Additional lines. Access lines in addition to a primary lines sold to homes to meet increased demand for voice, data, and video products and services.

Ach arcert intellige it Network All.: An advanced telephone network architecture that permits advanced services without rewriting the software of a central office switch.

An Dussactor Program, A program that uses volunteer SBC non-sales management employees to build stronger relationships with medium-sized business customers.

An entire state weesfer Modelia Mr. High-bandwidth, low-delay packet switching and multiplexing technique used to deliver traffic at varying rates, permitting a mix of voice, data, and video.

A letage Large LE Es: Average of the RBOCs plus GTE.

BDS FAIV Building Distribution Systems and Local Area Network services providing business and government with data and voice integrated technologies on a customized, contractual basis, including consulting, design, administration and maintenance.

re coadband. Transmission facilities having a bandwidth greater than 20 Khz capable of carrying large volumes of voice, video, and data channels simultaneously.

7.GR: Compound annual growth rate.

CallNotes: An efficient message service enabling customers to retrieve messages without an answering machine.

caller (4): A flagship product that allows customers to see a caller's name and number before answering the call.

Cash Operating Expenses
Operating expenses that exclude depreciation and amortization.

CDMA Code Division analople Access: A digital wireless transmission technology that carries packets of encoded digital data by broadcasting over all available channels. At the receiving end, data are recombined by selecting messages encoded for a specific receiver.

Collular One: SBCs wireless subsidiary that operates in Baltimore, Boston, Chicago, upper New York State and the Washington D.C. markets.

Churn The percentage of customers discontinuing service during a month compared to the average customer base during the period.

CLASS Services: Second generation enhanced network services based on CCS7 technology, including Call Return, Call Blocker, Auto Redial, Call Trace and Priority Call. CLEC: Competitive Local Exchange Carrier providing switched local service such as dial tone.

Cost of Capital: SBC's weighted cost of its respective debt and equity capital. Each SBC subsidiary has a unique and identifiable cost of capital appropriate for its business and financial risks.

Dilution: The effect on earnings per share from those SBC investments that are in the early stages of development and have not yet become income positive.

Discounted Cash Flow: SBC's use of generally accepted present value cash flow techniques in evaluating investment alternatives, including capital budgeting issues, M & A candidates, ongoing operations, etc.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

EBITDA Interest Coverage: EBITDA divided by total interest expense.

E-mail: Electronic mail messages sent between computers via an Internet address. Many observers believe e-mail is the primary driver in the growth of the Internet.

Five-State Region: Operations in Arkansas, Kansas, Missouri, Nevada, Oklahoma and Texas. Frame Relay: A connectionoriented high-speed data transport service that facilitates the exchange of data through predefined paths.

Free Cash Flow: The excess cash that is generated from a business. Cash from operations less construction and capital expenditures.

Full Service Providers: Telecommunications providers that offer a full array of products including local, long distance, wireless and Internet services.

GSM (Global Systems for Mobile Communications): Time Division Multiple Access (TDMA) technology based upon European standards. GSM is now being incorporated into multiple access standards in the United States.

ILEC: Incumbent Local Exchange Company.

Interconnection: An efficient network connection that transfers calls between a Local Exchange Company and a competitive network.

Internet Access: A service that provides a gateway to the Internet for the user.

InterLATA: InterLATA calls are long-distance calls that originate in one LATA and terminate in another. With the Telecommunications Act of 1996, RBOCs must satisfy certain criteria to be able to provide interLATA long-distance service.

## Interstate Access:

Interconnection of local networks with long-distance networks to originate and terminate state-to-state long-distance calls. Local exchange carriers charge long-distance carriers for originating and terminating access to the local networks.

IntraLATA: IntraLATA calls are long-distance calls that originate and terminate in one LATA. In SBC's seven-state region, Southwestern Bell, Pacific Bell, and Nevada Bell retain "1+" dialing priority until the company is granted interLATA freedom.

Intranet: An internal Internet used for communications within a business.

#### Intrastate Access:

Interconnection of local networks with long-distance networks to originate and terminate long-distance calls within a state. Local exchange carriers charge long-distance carriers for originating and terminating access to the local networks.

ISDN: Integrated Services Digital Network, a high-speed network that enables simultaneous transmission of data, graphics, video and voice over a single telephone line. ISDN comes in 144,000 BPS for the desktop or 1.544 Kbps for telephone switches, computer and voice processing systems.

ISDN Turbo Access: A packaged service for ISDN providing a terminal adapter for ISDN, inside wiring, and product installation.

IS54: Interim Standard 54, a TDMA wireless technology that converts the traffic channel or voice channel to digital.

IS136: Interim Standard 136, the next evolution of TDMA technology that converts the voice channel as well as the control channel to digital. The conversion of the control channel to digital enables the provider to offer enhanced services such as Caller ID and a message waiting indication. IS136 also introduces a new voice coder that provides for enhanced voice quality.

IXCs: Interexchange carriers such as AT&T, Sprint and MCI.

LATA: Local Access Transport Areas are geographic sectors established in 1984 by the FCC for the administration of long-distance telephone service provided by the RBOCs and the interexchange carriers.

Loop: Wires that run from the central office to a customer's location.

MDU: Multi-Dwelling Unit, an apartment complex with multiple tenants.

Metropolitan Service Area (MSA): Southwestern Bell Mobile Systems provides cellular service in 34 metropolitan service areas nationwide. These areas are geographically related to but not precisely matched with U.S. Census Bureau metropolitan statistical areas,

MTS: Message Toll Service, i.e., intraLATA long-distance service provided by an RBOC such as SBC.

National Account Sales Team: SBCs sales force that is directed to selling and servicing large business customers.

Nevada Bell: SBCs local exchange company that operates in Nevada.

Number Portability: The ability for a customer to change carriers while retaining the same telephone number.

OCP: Optional calling plans offering discounted or block-of-time packages for intraLATA long distance.

1+ Saver Direct: A part of OCP which enables customers to save money on one-plus, direct-dialed calls made within the region.

Operating Cash Flow: Earnings before interest, taxes, depreciation and amortization.

Pacific Bell: SBC's local exchange company that operates in California.

Packaged Services:

Communications services that are offered to customers in a grouped or "bundled" format for their convenience.

Payout ratio: That portion of earnings paid out as dividends. SBC's goal is to reduce its payout ratio to the low 40 percent range while providing year-over-year dividend increases.

PCS: Personal Communications Services, a digital wireless service that operates at the 1900 megahertz level.

Penetration Rate: Percentage of customers subscribing to a service as compared to the total customer base.

Phone in a Box: Wireless phones that are purchased "off the shelf," typically in retail stores, that allow the buyer to make one phone call to immediately activate the service.

POP: Point of Presence where an interexchange carrier terminates long distance lines prior to connecting to the local exchange company's lines or directly to a customer.

POPs: A term used in the wireless industry to describe customers or potential customers, usually expressed as a unit of population.

Prepaid Calling Cards.

Promotional cards sold primarily as a coin phone alternative to coins or credit cards or for gifts and as a deterrent to credit card fraud.

Presubscription: A choice by subscribers of a carrier for either long distance or in the future, local service that does not require dialing a multiple digit access code.

Pretax Interest Coverage: Pretax income plus interest expense, divided by interest expense.

Privatization: An offer by a government to sell all or part of the assets or equity of an operating telecommunications company to a group of local and/or foreign partners.

PTT (Post, Telephone and Telegraph): A state-owned and operated provider of telecommunications services such as British Telecom in the U.K.

Regional Bell Operating Company (RBOC): One of the seven holding companies created in 1984 when AT&T divested itself of its local telephone companies.

Resale: Reuse of Local Exchange Carrier services charged at retail rates, less avoided costs, without the need to build out redundant facilities.

Residential Primary Line: The first and principal access line serving a residential customer. RF Fingerprinting: A technology that identifies the unique signal frequency patterns or "Radio Fingerprint" of each cellular phone in order to validate customers attempting to place calls. Because each Radio Fingerprint is unique, an illegal phone will automatically be denied.

Rural Service Area (RSA): A group of counties as defined by the FCC denoting an authorized area for the construction and licensing of cellular service in rural areas. Southwestern Bell Mobile Systems provides cellular service in 27 rural service areas nationwide.

SBC: SBC Communications, used to refer to the results of the entire seven-state region.

Southwestern Bell Mobile Systems (SBMS): Wireless operations in the five-state region.

Seven-State Region: Business operations in Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, and Texas.

Shareowner Value: The principles applied by SBC management to optimize shareowner returns by identifying the key value drivers of the business and managing these to derive the maximum economic value. Shareowner value is created when the economic value of an investment exceeds its cost of capital.

Smart Moves: A one-stop package of telephone, wireless and video/entertainment services.

SONET: Synchronous Optical NETwork is a optical interface standard that allows interworking of transmission products from multiple vendors.

Southwestern Bell (SWB): The local telephone service and wireless operations in the five-state region

Southwestern Bell Telephone (SWBT): The local telephone service operations in the five-state region.

Special Access: Also known as dedicated access these lines are used solely to connect a customer's premise to an interexchange carrier.

SWB: Southwestern Bell, the brand name used by SBC within the five-state operating region of Arkansas, Kansas, Oklahoma, Missouri and Texas.

SWBYP: Southwestern Bell Yellow Pages, SBC's directory subsidiary within the five states.

TDMA (Time Division
Multiple Access): A digital
wireless transmission technology
which carries digital messages
simultaneously over dynamically
allocated time slots by breaking
the transmission signal into defined
increments of time. At the receiving
end, the time slots are recombined
to complete the message.

Telecommunications Act of 1996: The first sweeping federal communications legislation since 1934, the law creates the paths for SBC and the other RBOCs to enter interLATA long distance and other businesses closed to them since the 1984 divestiture from AT&T and paves the way for opening the local telephone network to competition.

Telmex: Telefonos de Mexico, one of the world's fastest growing telephone companies. SBC Communications, along with consortium partners Grupo Carso of Mexico and France Telecom, holds controlling interest in Telmex.

Toll: IntraLATA long-distance or those calls within a LATA that are not considered to be local calls.

TRI: SBC's Technology Research Institute (TRI) provides technical consulting for all of SBC's domestic and international operations.

271 Application: The application that must be submitted to the FCC and approved before an RBOC may enter the long distance market. The application entails meeting the requirements of a 14-point checklist as prescribed by the FCC.

Unbundling: Allows competitors to selectively gain access at cost-based rates to LEC wires from central offices to customer premises not located on a competitor's network.

Universal Service: A public policy initiative to ensure that telecommunications service is available to all households, even in high-cost areas.

Universal Service Fund: Funds set up at the state and federal levels for the purpose of providing service in high-cost areas.

Vertical Services Revenue: Local service revenue that is incremental to selling basic telephone lines. Vertical services are the value-added options that SBC markets and customers choose to purchase in order to enhance their telephone service.

Videoconferencing:
Simultaneous transmission of a video and audio signal between two or more locations, allowing "face-to-face" meetings to occur without the need for travel.

WDM: Wave Division Multiplexing, an important emerging technology that may expand the capacity of SBC's fiber network.

Wireless Services Margin: Total wireless EBITDA divided by wireless service revenue. Wireless Services Revenue: Domestic wireless service revenue and long-distance revenue which does not include equipment and other wireless revenues.

The Works: A package of optional vertical services offered at a significant discount. The package includes Caller ID, Call Forwarding, Speed Call, Call Blocker, Priority Call, Call Waiting, Three-Way Calling, Call Return, Auto Redial, Selective and Remote Access to Call Forwarding and Call Trace services.

index

. O